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May 6, 2003

Mr. Hertzel Hazan
Areal Development Corporation
1046 1st Avenue South
Seattle, Washington 98134

**RE: PROPOSAL FOR LIMITED SUBSURFACE INVESTIGATION
FORMER RAINIER BREWERY PROPERTY
3100 AIRPORT WAY SOUTH, SEATTLE, WASHINGTON
FARALLON PN: 833-002**

Dear Mr. Hazan:

Farallon Consulting, L.L.C. (Farallon) has prepared this proposal to perform a Limited Subsurface Investigation of the eastern portion of the Former Rainier Brewery Property located at 3100 Airport Way South, Seattle, Washington (the Site). The purpose of the Limited Subsurface Investigation is to investigate identified environmental conditions of potential concern, and to determine if substantial impacts to soil and/or groundwater quality have occurred as a result of past operations and activities at the Site and at northwest and north adjacent properties. The environmental conditions of potential concern for the Site were identified in the *Summary of Environmental Conditions of Potential Concern* letter dated August 30, 1999, prepared by GeoEngineers, Incorporated of Redmond, Washington for The Benaroya Company, L.L.C. of Seattle, Washington. The scope of work, cost estimate, and schedule for the Limited Subsurface Investigation is presented below.

SCOPE OF WORK

The scope of work for the Limited Subsurface Investigation at the Site includes the following tasks:

- Task 1: Project Management, Communications, and Scoping;
- Task 2: Limited Subsurface Investigation; and
- Task 3: Data Review and Meeting with Client.

A brief description of the scope of work for each task is provided below. A detailed breakdown of the estimated costs to complete Tasks 1, 2, and 3 is provided on the attached Table 1.

TASK 1: PROJECT MANAGEMENT, COMMUNICATIONS, AND SCOPING

Task 1 includes coordination and project management duties such as budgeting, project resource allocations, preparing the proposed scope of work, subcontracting, progress reporting, and communications with the client.



TASK 2: LIMITED SUBSURFACE INVESTIGATION

The Limited Subsurface Investigation will include the following work elements:

- Preparation of a health and safety plan (HASP) as required by Washington State Department of Ecology (Ecology) Model Toxics Control Act (MTCA) and Title 29 of the Code of Federal Regulations, Part 1910.120;
- Performance of a private utility location survey at the proposed drilling locations;
- Advancement of up to eight soil borings to a maximum depth of 15 feet below ground surface;
- Collection of one soil sample from each boring for laboratory analysis; and
- Collection of one groundwater reconnaissance sample from each boring for laboratory analysis if groundwater is encountered.

Farallon will prepare a HASP and conduct a subsurface utility location survey prior to conducting the field program. The locations of the borings will be selected based on the referenced Site-specific background documentation provided by Areal Development Corporation, and the results of the preliminary site reconnaissance survey conducted by Farallon on April 24, 2003. The exact location of the borings will be based on the utility location survey scheduled to be conducted on May 7, 2003. The borings will be advanced at the following proposed locations:

- Three borings near the 15,000-gallon fuel oil underground storage tank (UST) and/or associated fuel distribution lines;
- Two borings near the electrical substation;
- Up to two borings near the 1,000-gallon gasoline UST installation reported to be present in the southwestern portion of the Site; and
- One boring in the northwestern portion of the parking lot at the Site.

Soil and groundwater samples will be analyzed for total petroleum hydrocarbons (TPH), polychlorinated biphenyls (PCBs), volatile organic compounds (VOCs), and the eight metals designated in the Resource Conservation and Recovery Act (RCRA) for characteristic waste determinations. The estimated number of soil and groundwater laboratory analyses is detailed in Table 1.

TASK 3: DATA REVIEW AND MEETING WITH CLIENT

Task 3 will include preparing a site plan depicting the boring locations and conducting a meeting with the client to discuss the results of the field program. Farallon will provide the client with hand-written field notes and boring logs, laboratory analytical reports, and the site plan. No additional documents will be prepared. At the client's request, Farallon will prepare a Limited Subsurface Investigation report for an estimated additional cost of \$4,000.



COST ESTIMATE

The total time and materials estimate to complete Tasks 1, 2, and 3 is \$10,940. This cost estimate may be modified if the scope or field program objectives change, if unforeseen conditions are encountered during the field program, or if additional information becomes available regarding the Site history. The estimated cost for each task is summarized in the attached Table 1.

Enclosed are two originals of Farallon's *Environmental Consulting Services Agreement* (Agreement) and two originals of *Work Order 833-002 WO 001* for performing the proposed scope of work presented in this proposal. To authorize the above scope of work and cost estimate presented herein, please sign and return all the originals, and a fully-executed original Agreement and Work Order will be returned to you before work is commenced. Additional work conducted at the Site will be authorized by preparation of specific work orders.

SCHEDULE

Farallon understands that Areal Development Corporation would like the Limited Subsurface Investigation to commence as soon as possible. Farallon has scheduled the subsurface utility location survey for May 7, 2003, and the limited subsurface investigation field program for May 8, 2003. Farallon anticipates that the field program can be completed in one working day. Areal Development Corporation is responsible for coordinating access to the Site with the current property owner. Farallon will schedule a meeting with Areal Development Corporation prior to May 20, 2003 to discuss the results of the field program.

CLOSING

The scope of work outlined in this submittal is based on the budgetary objectives defined for this effort by Areal Development Corporation on April 25, 2003. This Limited Subsurface Investigation is intended to provide a screening level survey only to assess specific potential contaminant sources and area groundwater quality for the presence or absence of substantive environmental impairment. This Limited Subsurface Investigation excludes the identification of additional recognized environmental conditions (RECs) beyond those previously identified for the Site. Farallon understands that additional work may be necessary to meet the criteria for a Phase II Environmental Site Assessment for the Site, and to meet the due diligence requirements for Areal Development Corporation's lending institution. The additional investigation field program would identify the RECs for the Site and be completed under a separate scope of work.



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Farallon appreciates the opportunity to provide you with environmental consulting services. Please call the undersigned at (425) 427-0061 if you have any questions or comments regarding this scope of work and cost estimate.

Sincerely,

Farallon Consulting, L.L.C.

Timothy S. Brown, L.G.
Project Geologist

Gerald J. Portele
Principal

Attachments: Table 1, Cost Estimate for Limited Subsurface Investigation
Environmental Consulting Services Agreement (2 originals)
Work Order 833-002-WO 001 (2 originals)
Schedule of Charges

TSB/GJP:syh